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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 OAKLAND DIVISION

17 PSI CORPORATION (f/k/a
18 FRIENDLYWAY CORPORATION
19 f/k/a BIOFARM, INC.)

20 Plaintiff,

21 v.

22 ALEXANDER VON WELCZECK,
23 HENRY LO, MICHAEL DRAPER, and
24 FRIENDLYWAY AG,

25 Defendants.

Case No. 07-02869 SBA

**DECLARATION OF KLAUS TROX IN
SUPPORT OF DEFENDANT
FRIENDLYWAY AG'S OPPOSITION
TO PLAINTIFF'S MOTION FOR
TEMPORARY RESTRAINING ORDER**

Judge: Hon. Sandra B. Armstrong
Time:
Complaint filed: June 1, 2007

1 I, Klaus Trox, hereby declare as follows:

2 1. I am, and since January 1998 I have been, the chief executive officer of
3 friendlyway AG ("FWAG"). I have personal knowledge of the facts set forth in this
4 declaration.

5 2. FWAG is a German corporation. Its offices are in Unterfoehring, Germany,
6 near Munich.

7 3. Alexander von Welczeck was an employee of FWAG until August 2000. In
8 August 2000, Mr. von Welczeck became chief executive officer of friendlyway, Inc.
9 ("FWI"), which was at the time a wholly-owned subsidiary of FWAG. At that time, Mr.
10 von Welczeck's employment with FWAG was suspended, but he retained the right to be re-
11 employed by FWAG under certain circumstances.

12 4. In September 2002, Mr. von Welczeck purchased 70% of the outstanding
13 stock of FWI from FWAG and waived his right to become re-employed by FWAG under
14 any circumstances. FWAG retained 30% of the outstanding stock of FWI.

15 5. Since September 2002, Mr. von Welczeck has had no employment
16 relationship with FWAG.

17 6. At no time has Henry Lo ever been employed by or been an agent of FWAG.

18 7. At no time has Michael Draper ever been employed by or been an agent of
19 FWAG.

20 8. In 2004, FWI sought to merge with a publicly-traded shell company in order
21 to have access to funding through the public markets in the United States.

22 9. In 2004, during the time that the management of FWI was negotiating with
23 Biofarm and up to the closing of the transaction with Biofarm in December 2004, I was on
24 the board of directors of FWI. No other employee or agent of FWAG was on FWI's board
25 of directors at that time. I have never been an employee of FWI.

26 10. No employee of FWAG was present during the negotiations between FWI and
27 Biofarm. I am not aware of what Mr. von Welczeck or Mr. Lo may have said during such
28 negotiations.

11. During 2005, FWAG assisted FW Corp. (now PSI) in obtaining additional funding, including by issuing convertible bonds in Germany to non-US citizens. Later, in April and July of 2006, FWAG instructed FW Corp. (now PSI) to transfer an aggregate of 7,850,000 shares of the FW Corp. (now PSI) common stock owned by FWAG to certain of those bondholders in connection with the conversion of the convertible bonds.

12. PSI's failure to transfer shares as instructed by FWAG and PSI's purported cancellation of FWAG's shares impairs FWAG's ability to complete the conversion of the bonds as it is obligated to do.

13. Between March 2005 and September 2005, FWAG provided cash to FW Corp. (now PSI) in exchange for promissory notes that subsequently were converted into an aggregate of 4,818,575 shares of FW Corp. (now PSI) common stock. In October 2006, FWAG received from PSI certificates for a total of 4,401,908 shares of PSI common stock, representing a portion but not all of the 4,818,575 shares PSI owed to FWAG under the subscription agreements. PSI has never delivered to FWAG the remaining 416,667 shares owed.

I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct.

Executed on June 7, 2007.



Klaus Trox